

Spousal Impoverishment Income Provisions

KEESM 8144 & 8244

<p>Spousal Income Determination</p> <p><i>*Min Income Allowance increased to \$1822 eff 5/09</i></p> <p><i>**Max Income Allowance increased to \$2739 eff 1/09</i></p>	<ul style="list-style-type: none"> ◇ Only the institutionalized spouse's income is considered in determining his/her eligibility. ◇ Only nonexempt income is considered in determining the allowance. ◇ If the couple's total combined nonexempt gross income is <u>\$1822</u> or less per month, total income may be allocated to the community spouse. ◇ If the couple's combined gross nonexempt income is more than <u>\$1822</u> per month, the institutionalized spouse can allocate a portion of his/her income to increase community spouse's monthly income to <u>\$1822</u>. The monthly income standard can further be increased up to a maximum of <u>\$2739</u> if there is an excess shelter expense. ◇ The allowance is reviewed and adjusted if applicable when the case is reviewed and at the time of cost of living increases. Other changes reported by the family may also result in the allowance being adjusted.
<p>Dependent Family Member Income Determination</p> <p><i>Dependent Family Member Allowance increased to \$608 eff 5/09</i></p>	<ul style="list-style-type: none"> ◇ A child, parent or sibling of either spouse can be a dependent. ◇ Dependency can be of any kind (legal, financial , medical) ◇ The dependent MUST live with the community spouse. <p>The dependent can receive up to <u>\$608</u> per month of the institutionalized spouse's income as long as the dependent's monthly income does not exceed the minimum community spouse's income allowance standard of <u>\$1822</u>.</p>
<p>Income Allowance Implementation</p> <p><i>Set WOALS for allocated income in January (COLA increases) & May (Increase in allocated limits)</i></p>	<ul style="list-style-type: none"> ◇ Compute the income allowance at the time of application for applicants or at the time LTC arrangement begins for the recipient by using the Income Allowance Determination Form (ES-3163) ◇ If income allowances are to be made, the husband and/or wife must sign a Notice of Intent to Allocate Income (Appendix form M-3) ◇ Upon receipt of this notice, the agency shall deduct the income allowance from the institutionalized spouse's income effective <ul style="list-style-type: none"> ✓ The month of application for applicants OR ✓ The month the care arrangement begins for recipients ◇ All cases in which an income allowance has occurred shall be referred to SRS Central Office Legal Division via the Spousal Impoverishment Allowances Memorandum (Appendix Form M-4)

5/2009

**Income Allocation to a Minor Dependent Child
NOT Living With the Community Spouse
KEESM Summary of Changes 5/08
KEESM 8143 & 8243**

There are times when a child will not be residing with a community spouse

- **Divorce**
- **Death**
- **Parents did not marry**
- **Child living with a grandparent**

The allocation amount shall be based on independent living budgeting methodology. The total non-exempt income of the child and any legally responsible person with whom they live is budgeted against the Income Level (PIL) for a household of that size. If the countable income is less than the PIL, the allocation amount is the difference. There would be no allocation if the countable income exceeds the PIL.

The allocation shall be calculated by using the KEESM form ES-3104.5 (Determination of Need (Medical Assistance) worksheet).

Example 1: A 6 year old child lives with her mother in the community and her father resides in a nursing facility. Her parents are not married, which means the child is not living with a community spouse. The child has no income, but her mother has gross earnings of \$1,800/month.

The child and mother would be budgeted as a household of two because mother is legally responsible for the child. Since countable income exceeds the \$475 independent living PIL, there would be no allocation of income to the child.

Example 2: A 15 year old child lives with his grandmother in the community and his father resides in a nursing facility. The child receives a Social Security payment of \$325/month based on his father's disability.

The child would be budgeted as a household of one because the grandmother is not legally responsible for her grandchild. Since the child's countable income is less than the \$475 independent living PIL, he would be eligible for an income allocation of \$170/month (\$475 PIL + \$20 disregard - \$325 SSA = \$170 income allocation).

1/2009